GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:915
ANSWERED ON:21.11.2016
Promotion of KVIC Products
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government proposes to promote the production and export of the Khadi and Village Industries Commission (KVIC) products including khadi;

(b) if so, the details thereof including funds allocated for the purpose and number of jobs likely to be created therefrom during each of the last three years and the current year, State/UT-wise;

(c) whether the Government proposes to start online sale of KVIC products, if so, the details thereof and the time by which it is likely to be started;

(d) whether the Government intends to grant the status of Export Development Council to the KVIC, if so, the details thereof; and

(e) whether the Government proposes to introduce the use of khadi products in the Government offices, if so, the details thereof and the current status of the proposal?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes Madam. Ministry is taking several steps for promotion and introduction of Khadi & Village Industries products in international markets. Khadi and Village Industries Commission (KVIC) has obtained the status of Deemed Export Promotion Council (DEPC) from the Ministry of Commerce & Industry. 1064 Khadi and Village Industries Institutions and Rural Employment Generation Programme (REGP)/Prime Minister's Employment Generation Programme (PMEGP) units have taken its membership to enter the field of export. The following steps have been taken to boost the export of Khadi and Village Industries products:

1. Participation of KVIC in India International Trade Fair (IITF) organized by ITPO.

2. Organizing Export promotion workshops.
3. Participation of KVIC in international exhibitions.
4. Assistance would be provided under the Market Promotion and Development Assistance (MPDA) Scheme to the eligible Khadi and Village Industries (KVI) Institutions for participation in International Exhibitions/Trade Fairs held in foreign countries in order to showcase KVI products to foreign countries, access international buyers and sellers and forge business alliances, etc.

The eligible items for such participation and the scale of assistance would be as under:

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S.No. Eligible items Scale of assistance
i) Space Rent For KVIs −
100% of the space rent subject to a maximum of Rs.1.00 lakh or actual rent paid, whichever is lower (for one representative from each participating enterprise)
ii) Air Fare For KVIs −
100% of the Economy Class air fare subject to a maximum of Rs.1.50 lakh or actual fare paid, whichever is lower (for one representative from each participating enterprise)
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5. Export incentive of 5% of Freight On Board (FOB) value of direct export of Khadi products is provided to KVI institutions/units registered with KVIC. Besides, KVIC has also been focusing on quality participation in International Exhibitions and Buyer-Seller Meets abroad to tap new/emerging markets for Khadi products.

6. KVIC has applied to register "Khadi" as a word mark and "Khadi India" as a Trade mark in 27 classes for various products among 45 classes listed out in the IPR Act at National Level as well as has filed an online application for registering "Khadi" as a trade mark under International bureau in European Union and other countries under 16 different class.

(b): KVIC has participated in 8 International Exhibitions in the last three years and the funds allocated for this purpose in the last three years is Rs.48.17 lakh. The details of the International Exhibitions is given at Annexure-I. KVIC does not maintain the figures of the jobs created due to exports of Khadi as the majority of the exports is done through merchant exporters.

(c): Efforts are being made to make available the Khadi & Village Industries products through e-Commerce portal online. In this regard, proposal received from PayTm for launching KVI products online free of cost for 1st three months has been approved.

(d): In order to boost export of Khadi products, KVIC has been given the status of 'Deemed Export Promotion Council', under which it has already registered more than 900 exporters.

(e): Yes Madam. KVIC has been catering to the need of Government Departments and bulk buyers such as Railways, Defence, Health & Family Welfare Departments, Paramilitary forces and other Central & State Government Ministries. In order to increase the sale of Khadi products, KVIC has also registered under Rate Contract (RC) system of Directorate General of Supplies & Disposals (DGS&D).

A total of Rs.7183.44 lakh worth of Khadi products have been supplied to various Government Departments during 2015-16.

Government has not mandated the use of Khadi products, however, in order to promote Khadi and Khadi products, letters have been addressed to all Ministries, Departments and CPSUs by the Minister (MSME), Secretary (MSME) and Chairperson (KVIC).